

**Veterans' Employment And Training Service  
Response To The Congressional Commission On Servicemembers And Veterans Transition  
Assistance Report**

**Providing Quality Services For All America's Veterans To  
Help Them Succeed In A 21st Century Economy**

**EXECUTIVE SUMMARY**

The Congressional Commission on Servicemembers and Veterans Transition Assistance (the Commission) performed a long overdue service -- a review of the Federally-funded benefits provided to our Nation's veterans. The Veterans' Employment and Training Service (VETS) of the United States Department of Labor (DOL) appreciates Congress' interest in recognizing and improving servicemembers' and veterans' programs. This Executive Summary presents our main concerns about the Commission's Report and is followed by detailed responses to pertinent Commission recommendations -- each organized by the section and issue number used in the Report.

In this response you will find that we support many of the objectives of the Commission's recommendations. We believe that America's veterans deserve the best benefits this Nation can provide and that VETS services need to be effective and delivered efficiently to make the best use of available resources. Where we disagree with specific recommendations, it is largely because we have better ways of meeting the same objective. We believe that the breadth of the Commission's mandate and the short period of time it had to carry it out has led to recommendations that 1) in many cases fail to take into account recent improvements in programs, 2) ignore the impact of new legislation such as the Workforce Investment Act of 1998 (WIA), or 3) lack the research necessary to fully evaluate the problems inherent in the proposed solutions. As a result, we believe that the Commission failed to acknowledge the extent to which VETS has become an integral part of the Department of Labor, and how veterans need VETS to continue being an active DOL component in order to effectively develop programs and policies which will govern the nation's employment and training system of the 21st century.

**Main Issues**

One of the most troubling recommendations of the Commission is the one that changes the priorities among veterans for job search and placement services in the Employment Service system. We cannot support this proposal because it has the effect of excluding most veterans from priority for services. Under current law, more than 15 million men and women who served honorably in the armed forces of the United States are entitled to priority in Wagner-Peyser funded employment services. The Commission recommends reducing the population of eligible veterans to those who are disabled or who have barriers to employment, but limits all other veterans to those separated within four years. A generous estimate would result in a reduced

group of about 2 million veterans. The Commission argues that this group includes those most in need “because of the high unemployment rate among recently separated personnel.”

But this argument ignores that 48.1% of all unemployed veterans are aged 45-64, and that this large group of veterans will feel the brunt of any such service restrictions. This recommendation also raises concerns about the millions of veterans who have been out for more than four years: Vietnam-era and Persian Gulf veterans, and those who are getting out of college. It would deny priority to older working veterans who face corporate downsizing, plant closings, or technological displacement. In this era of incredible technological change, when the average worker will change jobs many times in a lifetime, when millions work in jobs not even thought of ten years ago, the denial of priority for reemployment services would be harmful and unfair.

A second troubling point is the long- term recommendation of the Commission to move VETS into the Department of Veterans Affairs (VA). While we share the Commission’s goal of improving performance and providing effective services across the Nation, we believe that moving VETS into VA will not serve the job-seeking veterans. The Commission sets these recommendations at a time when VETS’ position within DOL has never been stronger and its working partnerships with other agencies never more productive. It also does so less than a year after Congress passed historic employment and training legislation - the Workforce Investment Act (WIA) - which streamlined access to many programs under the umbrella of One-Stop Centers, the implementation of which will be overseen by DOL -- VETS’ “home.” VETS representatives actively participated with staff from the Employment and Training Administration (ETA) of DOL in promulgating interim final regulations published in April 1999, developing planning guides and training to help States and localities implement WIA, and to make sure that veterans’ rights are recognized and protected in the new system. We believe that being part of DOL is crucial for such an effective role.

Furthermore, creating a separate, duplicate system to serve only veterans would jeopardize veterans’ ability to access more than a dozen customer-friendly services provided under this one-stop system umbrella, and endanger their well-earned right to priority of service in the Wagner-Peyser funded employment service. Setting up a separate employment system for veterans does neither veterans nor the taxpayers any favors. Employers have told the Department of Labor that they want to deal with one employment entity. The new WIA system is designed to be business-led, and we expect that employer use of One-Stop Center services will exceed the current use of Employment Service offices. This represents a great opportunity for veteran “customers” of One-Stops - an opportunity that would be lost if VETS’ programs were removed from the workforce system and placed at a separate location. Also, in such a duplicate system, priority of service would be difficult, if not impossible to enforce. All the benefits of the One-Stop center would be lost to veterans, while available to the balance of the workforce. Veterans’ employment and training needs are better served in an organization whose primary function is to develop and provide employment and training programs.

At the same time, the Commission recommends that over 2,700 veterans, many of whom are disabled, and who serve as Disabled Veterans Outreach Program specialists (DVOPs) and Local Veterans Employment Representatives (LVER), be replaced by other entities. Specifically, the Commission proposes the elimination of 1,400 DVOPs and 1,300 LVERs -- all of whom are veterans -- and replacement of them with 1,610 Veterans Case Managers (VCM) and 552 Veteran's Employment Facilitators (VEF) -- potentially non-veterans hired by private contractors. Our concern is both over the privatization of these employment services now provided to veterans in light of the Department's long-standing position that employment services must be provided by merit-system staff and over the reduced availability of services from the smaller number of dedicated staff. Furthermore, if the new staffing configuration is operated by a non-DOL program, we believe that veterans will not benefit from less dedicated staff, operating a duplicative system, separated from the growing number of One-Stop offices around the country, with fewer services to offer. To benefit from all employment services available, veterans would have to make 'two stops' to be assisted, rather than the 'one-stop' available to others. Lower initial cost for VEFs and VCMs should not outweigh the quality of services for veterans.

### **Recent Program Developments**

Employment and training services for veterans are undergoing revolutionary changes. VETS is responding to the challenges of change and positioning itself to address the employment and training issues veterans will encounter in the 21st century. Thus, our last main issue is that the Commission did not address these developments. Since this information is key to understanding the valuable contributions of VETS in itself and as a component of DOL, we present more details in our response to Issue II.E recommendations and summarize that information here.

First, VETS has developed a Military Resume Writer which is becoming an important part of America's Career Network. This is an on-line tool for DVOPs and LVERs to use when helping veterans translate their military experiences into civilian skills, and ensures some degree of universality and quality control. VETS is also operating two different pilot programs with six states which can help DVOPs and LVERs provide veterans with priority services in America's Job and Talent Banks. These include early access to jobs listed by Federal contractors and the automatic referrals of veteran resumes to posted jobs for which they are qualified. VETS uses pilot programs to test the validity of these programs because they are cost effective, they can be modified to respond to changing circumstances, and they can ultimately serve not only veterans, but other groups of workers as well.

Second, VETS has made great strides in the area of certification and licensing through its Interagency Task Force on Certification and Licensing of Transitioning Military Personnel (Task Force) and through pilot and other projects. The certification and licensing effort, appearing as a recommendation of the Commission, has been an interdepartmental effort for almost a year. In fact, the Task Force published an interim report two months before the Commission's own report.

Third, in addition to the Task Force, VETS is working with leading companies and unions to help veterans use the skills they acquired in the military to move quickly into career building jobs in growth industries like information technology (IT) and telecommunications. Companies like Cisco, Microsoft, Lucent Technologies, U.S. West, Pacific Bell and PowerComm, and unions like the Communications Workers of America and the International Brotherhood of Electrical Workers are coming to VETS seeking assistance in filling their employment needs.

Fourth, as part of its work on certification and licensing, VETS is developing an Internet-accessible database of all Federal, state, and private licensing, certification, and accreditation requirements which will become part of the Department of Labor's extensive job and training Internet sites. This website will provide service members and others with a one-stop center for learning how military skills relate to the requirements of the civilian economy.

The process VETS and these organizations have developed to help qualified veterans obtain quality jobs is one that, once tested and perfected, could be employed to help other groups in society -- dislocated workers, disadvantaged youth, older workers, young people disaffected with traditional education, welfare recipients, and others, thus supplying the skilled workers needed to continue the growth of American business. Again, VETS not only serves veterans in innovative ways but also contributes to the overall aims of DOL.

A fifth area of development is VETS' work with Tennessee and North Carolina to provide enhanced, one-on-one assistance to transitioning service members participating in Transition Assistance Program (TAP) workshops. LVERs are hired to work with selected employers needing skilled workers, who together ascertain exactly the qualifications these employers need to fill their job vacancies. VETS then matches these requirements to skills possessed by recently transitioning veterans seeking employment in these occupations. VETS certifies to employers that the veterans sent for interviews are fully capable of performing on the job. This cuts down on unnecessary and often expensive interviewing time for employers and moves veterans into career building jobs, minimizing unemployment or underemployment.

For those veterans with skills gaps, VETS is piloting projects which use discretionary training funds for programs designed to provide those skill requirements set by employers. Again, this is a win-win situation. Veterans get trained for jobs that actually exist, employers get skilled workers possessing the skills necessary to do the job.

Finally, an area of VETS' work is not adequately reflected in the Commission's report is current data of the Vocational Rehabilitation & Counseling program. The Commission reported outdated figures, which fail to include the significant improvements in the program accomplished by the Departments of Veterans Affairs and Labor through increased cooperation and coordination. For example, the entered employment rate for Chapter 31 veterans increased from 33% in FY1996 to 64% in FY1998. Section II.I gives many more examples of the excellent improvement in this program.

## **Conclusion**

This is the true picture of the Veterans' Employment and Training Service on the eve of the 21st century. We acknowledge and salute Congress' desire to ensure that the employment and training services for veterans provided by the Federal government keep pace with the exploding changes occurring in the economic environment at the turn of the century. We believe our response will clearly show that VETS, as an integral part of the Department of Labor, is keeping pace, and perhaps is even a step ahead.

America's veterans deserve the best benefits this Nation can provide. They have earned each and every one of these benefits through their service. Veterans are a Federal responsibility and, as such, VETS is determined to continue its efforts to ensure each veteran has a fair chance to reap the full measure of opportunity that our democratic society offers.

**COMMISSION REPORT**

**SECTION II. EMPLOYMENT AND TRAINING**

**RECOMMENDATIONS AND RESPONSES**

**ISSUE II.A IMPROVE SERVICE MEMBERS TRANSITION PROGRAMS AND SERVICES**

As authorized by 10 U.S.C. §1144, the Department of Labor provides specific job search skill building and information in three-day workshops designed specifically to prepare separating and retiring service members to successfully enter the civilian labor force. These workshops have been very well received by the participants and, as a testimony to their effectiveness, have been widely imitated in the private sector.

Of the transition program components cited in the Commission’s report as those viewed by participants as most useful, all are components of the DOL Transition Assistance Program (TAP) workshops: ‘intensive workshops geared toward the individual’s job search, resume writing, interviewing techniques, career planning and information on obtaining government employment.’ These core transition skills have been provided to about half of all separating service members each year since 1993 at a cost of approximately \$20.80 per participant.

Based on PY 1997 figures

ITEM	DVOP/LVER	CONTRACT	VETS STAFF	MANUALS		
COST/UNIT	\$24.00/hr	61.16/hr	17.80/hr	1.10each		
UNITS	666,560/hrs	15,803/hrs	2475/hrs	132.593	TOTAL	PARTICIPANTS
Sub total	\$1,597,440	\$966,511.48	\$47,615	\$145,852	\$2,757,418	132,593
					COST /PARTICIPANT	\$20.80

The Commission Report listed 12 findings and 13 recommendations concerning the TAP. Of these, four impact DOL. Those issues are addressed below.

**RECOMMENDATION**

Increase DoD TAP funding to provide 8 hours of individualized transition assistance services for each separating or retiring service member, in addition to preseparation counseling and group workshops.

**RESPONSE**

This Commission recommendation addresses DoD’s TAP funding and DOL takes no position on this recommendation. However, the comments below are designed to provide some context on DOL’s activities in the TAP workshops run jointly with DoD and VA.

As successful as TAP workshops are, DOL has worked hard to make them even more helpful to service members. To address the sometimes limited individual attention in the workshops, DOL and our State partners have out stationed Disabled Veterans Outreach Program Specialists (DVOPs) or Local Veterans Employment Representatives (LVERs) at more than half (99 out of 178 or 56%) of the TAP sites. In addition to facilitating the workshops, these employment specialists provide individual assistance and advanced specialized training to newly separated veterans who are in the job search process. While restricted by law from providing specific individualized services to active duty service members, they do provide additional general assistance to individual service members seeking referrals to electronic job search information on relocation, veteran's preference in employment and other employment and training resources. Due to the nature of these services, they are generally not recorded, nor is a record kept of the individuals served.

Further, DOL is piloting industry-specific individualized transition placement programs. These pilots are testing the immediate employability of transitioning service members in industries with recognized labor shortages. Specifically, VETS is working with employers in the law enforcement, electronic and computer maintenance and technical manufacturing industries. We anticipate that individualized job search assistance and a proactive industry specific employer outreach program will result in the placement of an additional 1,000 new veterans in North Carolina and Tennessee in the pilot year. With start-up and first year operation costs in the two States totaling \$275,000, the cost per placement in the pilot year is estimated at \$275. As start-up costs are amortized over succeeding years, the costs per placement will be dramatically reduced. A similar private industry funded pilot in the Information Technology industry conducted last Summer was very successful and that initiative is now being implemented at all 178 DOL-TAP sites. Another pilot in the communications industry is demonstrating similar success. The IT and communications industry pilots, while receiving Federal support, received little or no Federal funding.

## **RECOMMENDATION**

DOD and VA: utilize the DOL automated America's Career Center Kit platform to provide employment-related information.

## **RESPONSE**

VETS supports DOD's and VA's use of the excellent electronic tools offered by the Department of Labor.

America's Career Kit includes America's Career InfoNet (ACI Net) which provides labor market information; America's Learning Exchange, with links to over 100,000 educational offerings and information about schools and training opportunities across the nation; America's Job Bank, the nation's largest repository of job openings; and America's Talent Bank.

DOL is also integrating a Military Resume Writer that automatically translates skills from more than 5,000 military occupations into civilian career objectives, qualifications, skills, experience and training. Coupled with the resume-writing skills learned in the DOL-TAP workshop, servicemembers and newly separated veterans now have a user-friendly tool to respond to jobs they find on America's Job Bank, and exposure to the thousands of employers who search America's Talent Bank for workers.

## **RECOMMENDATION**

Require the services to be offered as soon as 1 year before the anticipated date of separation or 2 years before the anticipated date of retirement, but not less than 90 days before the anticipated date of separation or retirement.

## **RESPONSE**

DOL has been fully supportive of this recommendation for many years. It is our experience that long term preparation and planning results in a shorter duration of unemployment and greater job satisfaction. This recommendation also recognizes the differing needs of separating personnel based on their age and length of service. Those leaving the military after one enlistment or in mid-career are well served by the current DOL-TAP workshop and follow-on employer focused enhancements. However, the recommended 1 year for receiving services would provide a more realistic time frame. Those retiring after twenty or more years bring different skills, experience levels and civilian employment goals to the transition process. DOL-TAP has addressed those differing needs by designing Senior Executive workshops and, in concert with our local State partners, providing additional assistance in executive job search techniques. These needs could be addressed in a more timely manner if access to transition resources was available 1 to 2 years before the anticipated termination of active service.

## **RECOMMENDATION**

DOD, VA and DOL: track program usage and outcomes in a coordinated fashion.

## **RESPONSE**

The parties have already established and are implementing common measures for common activities. DOL agrees with the need to measure outcomes for accountability but asks that the Committee recognize that the services provided by DOL and the services provided by VA have been designed to minimize duplication and maximize resources. Therefore, specialized activities with specialized measures are preferable in measuring performance.

## **ISSUE II.B REENGINEER EMPLOYMENT ASSISTANCE SERVICES FOR VETERANS**

### **BACKGROUND**

For some years now, the Congress has expressed concern about the number of employment and training programs spread throughout government agencies. In fact, one of the driving forces behind the passage of the Workforce Investment Act (WIA) last year was the need to consolidate the array of employment and training programs into one integrated system. WIA establishes a One-Stop delivery system with a range of mandatory partners who will deliver services through this integrated system. The Veterans' Employment and Training Service (VETS) did not wait for a legislative mandate to become a partner in the One-Stop system and has been an active participant since DOL began the One-Stop initiative in FY1994. More recently, VETS reviewed and commented on the draft WIA regulations, reviewed and commented on the State Planning Guidance, is participating in the technical assistance and training programs, briefed its stakeholders on the impact of the law, and prepared the State-Veterans agreements required to be entered into with each State governor to ensure veterans services under the law.

Using the One-Stop system, services will now be streamlined at the local level. Programs and providers will co-locate, coordinate and integrate activities and information so that the system as a whole is coherent and accessible for individuals and businesses alike. WIA specifies nineteen required One-Stop partners and an additional five optional partners to streamline access to a range of employment and training services. It requires coordination among all Department of Labor-funded programs, as well as other workforce investment programs administered by the Departments of Agriculture, Health and Human Services and Transportation and allows local areas to add additional partners as local needs may require.

If Congress accepts the Commission's recommendations to remove VETS from the Department of Labor and turn the DVOP/LVER system into a separate, private system run by 53 different organizations (including the District of Columbia, the Virgin Islands and Puerto Rico), then the Congress will be taking a giant step away from the goal it sought in creating the One-Stops, and will leave veterans outside the system that is *the* resource for all American workers.

Currently, and under the WIA, VETS delivers employment services to veterans in partnership with State Employment Security Agencies (SESAs), also called the "Job Service" or the public employment service system. VETS administers Federal grants to these State agencies to support Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVER) staff in each State. As a requirement in Title 38, DVOPs and LVERs must themselves be veterans, which results in a dedicated staff that assists the offices in which they are assigned to provide labor exchange-related services for veterans and other eligible persons. These labor-exchange related services include employability development services, such as vocational guidance, job counseling, job seeking skills training, and intensive services generally using a case management approach; and include job placement-related services

which may include developing jobs and training opportunities, referral to job and training openings and related assistance or facilitation in securing and advancing in employment.

Since the Wagner-Peyser Act of 1933, when the Veterans' Employment Service was created, the billion dollar State employment service systems were required to provide priority services to veterans. The LVER program was created by the Servicemen's Benefits Act of 1944 (the original GI Bill) to accentuate the Wagner-Peyser service delivery to veterans returning from World War II. LVER positions were assigned to serve as staff in each office of the public employment service system to ensure the adequacy of service delivery for veterans in that office. LVER staff were and still are responsible to meet the needs of area employers for well-trained, qualified veterans. There are twelve specific responsibilities of the LVER. Chief among the duties of the LVER are the requirement to "functionally supervise the providing of services to eligible veterans and eligible persons by local employment service staff"; to "maintain regular contact with community leaders, employers, labor unions, training programs and veterans' organizations..."; and to "provide directly or facilitate the provision of, labor exchange services by local employment service staff to eligible veterans and eligible persons...". The actual number of LVER FTEs in any year is based upon available grant funding, and averaged 1,289 over the last three years.

In November of 1976, President Carter, encouraged by veterans service organizations, signed an Executive Order to create a disabled Vietnam-era veterans outreach program at the Department of Labor (DOL). The Vietnam Era Veterans' Readjustment Assistance Act of 1972 (VEVRAA) established the current priority order for services to veterans and targeted specific groups of veterans to include special disabled veterans (in receipt of compensation of more than 30% disability), Vietnam era disabled veterans, and other eligible persons that includes certain qualifying widows and spouses of veterans. This program was intended to deploy a minimum of 1911 disabled Vietnam era veterans nationwide, to reach out to those disabled and/or Vietnam veterans unable or disinclined to apply for services in the "structured settings" of the Job Service system, contact employers at their worksite to change their stereotypes of disabled and Vietnam veterans, create large number of new job openings, especially with Federal contractors, match veterans to training openings and contribute to the placement of large numbers of Vietnam era and disabled veterans who may never have otherwise sought employment-assistance through the traditional SESA (Job Service) offices. So successful were their efforts that Congress made the Disabled Veterans' Outreach Program (DVOP) a permanent program in the Department of Labor in 1980.

In 1988, P.L. 100-323 delineated fifteen specific duties of the DVOP specialists, chief among which are the "development of job and job training opportunities for eligible veterans through contacts with employers"...; promotion and development of apprenticeship and on-the-job training positions (VA); development...with employers...to ensure the maximum assistance to disabled veterans who have completed or are participating in a vocational rehabilitation program under Chapter 31 of Title 38; and outreach to locate eligible veterans through contacts with local veterans organizations...the VA...and community-based organizations." 75% are assigned to local

employment service offices; consequently, DVOP specialists are also assigned to TAP site facilitation, VA Vet Centers and VR&C (Vocational Rehabilitation & Counseling) offices, One-Stop Career Centers and other productive work locations to ensure effective outreach and saturation throughout the veterans' community. In all, an average of 2,000 DVOP positions based on a population formula are authorized for distribution among all States, Puerto Rico and the District of Columbia. Last year, Title 38 was amended to change the formula such that one DVOP specialist could be assigned to a State agency for each 7,400 of working age (20-64 years old) veterans who reside in that State. The actual number of DVOP FTEs in any year is based upon available grant funding, and averaged approximately 1,433 over the last three years.

Many of the problems that the Commission highlights (e.g., not everyone gets case management) are a result of DVOP/LVER staffing reductions – since 1994 there has been a 17% reduction in DVOP/LVER staff due to flat-lined budgets.

Implicit throughout Chapter 41 of Title 38 is the requirement that SESAs provide the maximum opportunity for jobs and job training to the job-seeking veterans in their respective States. The DVOP and LVER staff are assigned to supplement, not supplant, the employment service (Wagner-Peyser Act funded) staff assigned to provide free labor exchange services to the general public. VETS establishes performance standards for SESAs to reinforce priority of service for special disabled and disabled veterans, veterans, and other eligible persons and evaluates the States' policies and processes to ensure that veterans receive services leading to economic security and well-being. VETS also supplies the SESAs with individual prototype performance standards for the DVOP and LVER staff funded through VETS' grants to the State based upon the duties prescribed in Chapter 41 of Title 38.

The Commission states that in Program Year 1996 only 12 % of the veterans registered obtained permanent employment. This is misleading. The performance measurement used by the Job Service is "entered employment," which includes both permanent placements and "obtained employment." In PY 1996, 25.1% or 510,375 veterans found employment out of the 2,034,426 registered for services. This compares very favorably to the "entered employment" rate for non-veterans, which was 16.6%. This comparison of veterans to non-veterans entering employment is the primary measurement required by Title 38. Additionally, these figures fail to capture all the veterans who found employment as a result of assistance from the Job Service. Many states track their "entered employment" data by using unemployment insurance employer wage records. However, this means of measurement fails to include veterans who are referred to a job and hired in another state. Because many states are currently converting their data systems so that they are integrated with other partners under the Workforce Investment Act and/or Y2K compliant, "entered employment" data is being lost. Referrals of veterans by DVOP/LVER to on-the-job training programs which lead to employment may not be credited to the DVOP/LVER. Furthermore, ETA does not count training activities not reported within 90 days of receipt of service. This has an impact on "entered employment" at the end of the reporting period (year). Lastly, DVOPs and LVERs facilitate Transition Assistance Program workshops for over 130,000

separating veterans a year. Many of these service members secure employment as a result of the workshops, but the DVOPs and LVERs receive no credit for this job assistance.

In Program Year 1997, Federal contractors reported 123,876 targeted veterans (109,715 Vietnam era and 16,259 special disabled veterans) were hired to meet their affirmative action requirements. Of these hires, the SESA reporting system indicates 18,901 targeted veterans were placed with Federal contractors (16,259 were Vietnam era and 2,642 were special disabled veterans). The local employment offices referred 121,949 (108,966 Vietnam and 12,983 special disabled) veterans to Federal contractor job openings. It appears that due to timing and interstate problems in hiring verification, many of those veterans referred were hired by Federal contractors but not reported by the SESA reporting system.

Similarly, for the program year that ended on June 30, 1998, SESAs helped 26.5% or 491,000 veterans (297,000 by DVOPs and LVERs) into jobs from the 1.85 million veterans that registered for assistance. Of those veterans helped into jobs, 18,374 were special disabled veterans, and 42,662 were disabled veterans (representing a 5% increase for special disabled and a 3% increase for disabled veterans from the previous program year). During the same program year, LVER staff helped 150,268 veterans and other eligible persons into jobs (including 13,480 disabled veterans, of whom 5,925 were special disabled veterans. In both instances, the entered employment rate was 28%). During the same period, DVOP specialists helped 147,532 veterans and other eligible persons into jobs (including 16,245 disabled veterans, of whom 7,618 were special disabled veterans. The entered employment rate was 27% and 28% respectively).

## **RECOMMENDATION**

That the Congress enact legislation to establish an employment and training service priority for veterans who have a service-connected disability, face employment barriers, or are recently separated from active duty on all Federally funded employment and training programs for which they are eligible. Disabled veterans would have a lifetime priority for employment and training. Veterans facing employment barriers would have an employment service priority for as long as their barriers persisted. Veterans who were recently separated from the Armed Forces would have an employment service priority for 4 years from date of discharge or release.

## **RESPONSE**

The Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) has made transitioning service members a priority. DOL statistics indicate that services to and positive outcomes on behalf of recently-separated veterans have been better than most other target groups (1995 and 1996 Assistant Secretary of Labor for Veterans' Employment and Training Annual Reports to Congress), chiefly due to the emphasis already placed upon services to this group.

The ramifications of the Commission's recommendations that transitioning service members (other than disabled veterans and those with barriers) retain eligibility for priority consideration under Wagner-Peyser for only four years would be significant. There are approximately 15 million veterans in the workforce, all of whom are currently entitled to service from DVOPs and LVERs. If the Commission's cutoff date is imposed, about 13 million veterans would be adversely affected.

We believe that this recommendation arises from the Commission's desire to have more time intensive services provided to individual veteran job seekers. Since the Commission does not recommend more staff and funding be provided for employment services, the Commission's only choice was to reduce the number of veterans eligible for such services. While we agree that some veterans will need more personal assistance to obtain good, secure jobs, we don't believe narrowing veterans' priorities is the solution. Certain Vietnam era, minority, combat theater, and female veterans, separated from active duty for more than four years, may not have definable barriers to local labor market participation, but may still be experiencing greater unemployment rates than their non-veteran counterparts. Many Desert Storm veterans may not have had trouble getting their first job immediately following their separation from active duty. They may, however, lack the seniority or skills to move into a meaningful career path, which may require retraining and skill - upgrades due to the evolving nature of the labor markets. VETS believes that all veterans who need career redirection have earned special assistance, and should not face an artificial cutoff of those services which may have no relationship to their life experiences. Veterans shouldn't have to claim barriers severe enough that they couldn't get jobs on their own before these services are available to them. This would stigmatize them and punish them for their service to the Nation. It would also make the job of marketing veterans to employers more difficult. Similarly, stigmatizing veterans would probably have a negative effect on VETS' certification and licensing efforts with the States and private sector employers.

## **RECOMMENDATION**

- That the Congress enact legislation to replace the DVOP and LVER programs with –
- A new Veterans' Case Manager (VCM) program to provide job-seeking skills, job development, and referral services to disabled veterans, veterans facing employment barriers, and recently separated veterans.
- A new Veterans' Employment Facilitator (VEF) program to facilitate TAP workshops and market veterans' employment to local employers.

## **RESPONSE**

DOL and VETS agree that redirection of priorities based upon need is in the best interest of today's veteran population, and began this redirection some time ago, with added emphasis on case management for those hardest to place. The proposed establishment of two new programs focusing on case management and facilitated services provided, respectively, by a veterans' case

manager and a veterans' employment facilitator is not a new thought. The Commission's proposal was taken from a report in 1993. A reinvention workgroup that studied the DVOP and LVER programs proposed three new positions should be funded and that those staff be allocated based upon need and volume of a State's offices.

The position description for each of the three proposed positions was clearly distinctive from the other two, so staff would not be used interchangeably by the local office management (see VETS' DVOP/LVER Steering Committee Report dated May 20, 1994). In essence, one specialist would serve exclusively as a veterans' case manager (VCM) and be available in the office to serve and assist the clients who were assigned to the office caseload. Another, the veterans' outreach services specialist (VOSS), would serve as an outreach/case worker who would primarily "take" those job-ready veteran clients (or their profiles) out to "sell" to appropriate employers to create openings and tailor on-the-job training programs (as with veterans who completed the Vocational Rehabilitation & Counseling program); and where the workload or office size demanded it. A third position, the veterans' employment and training representative, or VET Rep, primarily assigned in larger offices, would be "providing and facilitating the full range of labor exchange functions," could support the VOSS and VCM, and would ensure that no veteran not already being served by the other two VETS-funded staff were allowed to "fall through the cracks."

The VETS reinvention committees formally presented their findings and recommendations to VETS and Departmental management, Veterans' organizations' employment representatives and stakeholders, and Congressional staff and members during the summer of 1994. Congress did not act on the workgroup's recommendations. Current Title 38 duties do not preclude DVOP or LVER staff from specializing in duties distinct to each title. The advent of WIA One-Stop Centers, technological advancements, greater reliance on DVOP and LVER staff for TAP facilitation and VETS' emphasis on a case management approach to the delivery of services, already results in DVOPs and LVERs performing the functions recommended by the Commission.

The recent passage of the Workforce Investment Act presents additional opportunities for veterans and VETS. Leaving intact the broad range of DVOP and LVER duties would provide the local flexibility necessary to ensure that all veterans who seek services in the One-Stop centers get the seamless services they need. Creating two new positions (VCM and Veterans' Employment Facilitator (VEF)) with more limited duties runs counter to the movement toward seamless services designed to meet the needs of all job seekers.

The Commission proposes the elimination of up to 2,019 DVOP specialists positions and more than 1,600 LVER positions (currently, there are approximately 2700 DVOPs and LVERs). All of them are veterans -- the majority disabled veterans. Many would be replaced by non-veterans. Assuming that the only staff funded by any such special staffing grant were the 1,610 VCMs and 552 VEFs (who would only serve a small portion of the veterans who annually seek some employment or training related services), it is unclear to VETS where the benefit to veterans would be with fewer dedicated staff to distribute among the growing One-Stop offices around

each State. We still see a need for staff who would provide local oversight and assistance to ensure that those eligible veterans get the necessary services described by the Commission, especially those identified for priority services, but who may lack a need to be considered for intensive/mediated services by the VCM or VEF.

The Commission states that the majority of veterans have marketable job skills and are highly employable. It asserts that the needs of most veterans will be met by giving them informed access to high tech tools. The Commission also asserts that they heard from numerous sources that the transition to civilian life is generally completed within 4 or 5 years after leaving the military. However, the source of these two assertions is one letter from six state employment officials. The facts indicate otherwise. 48.1 % of unemployed veterans are 45 -64 years of age. Many of these veterans were not trained in the technology skills of the 21<sup>st</sup> century, have spent years in fields such as construction which they can no longer handle from a physical standpoint or have been down-sized from unskilled jobs and thus have a more difficult time finding new employment in the new economy. The new electronic tools created to assist with job searches are extremely promising, but they are also very new and their effectiveness unproven. Most people want jobs within a 25 mile radius of their home and most people still get jobs through a personal network of friends, acquaintances, etc. DVOPs/LVERs are part of this network when job-seeking veterans register at the Employment Service.

## **RECOMMENDATION**

That the Congress enact legislation to provide that grants or contracts for Federally - funded employment services for veterans under the VCM program and the VEF program be competitively awarded by DOL on a State-by State basis so that the most cost-effective organizations provide services.

## **RESPONSE**

The idea of competing service delivery supported by employer taxes (Federal Unemployment Tax Account -- FUTA) raises a host of equity issues, regardless of whether it was for VCM and VEF or DVOP and LVER. A lower initial cost, as proposed for VEF and VCM, should not be a criteria of the quality, positive impact or overriding public benefit of a new program funding proposal. VETS needs to explore several concerns that are inherent in a competitive funding approach. Several of these concerns intersect with the Department of Labor's policy of providing comprehensive, impartial and priority services to veterans within the context of public merit-staffing. In 1997-1998, the Department undertook a thorough policy review of public merit staffing in the delivery of FUTA-based labor exchange services to job seekers (including veterans) and employers. As a result of that review, the Department required that veterans' labor exchange services be delivered by merit-staffed employees. This "privatization" would also raise serious questions about services delivered by private vendors who would have profit motives to work primarily with the more employable veterans, potentially ignoring the hardest to serve clients that need more intensive services.

The Department of Labor expects that approximately 2600 One-Stop Centers will be established by July 2000 under the transition to WIA. The existing employment system is a billion dollar system. DVOPs and LVERs are state employees who are an integral part of that system. By competitively bidding VCM/VEF services to private vendors, the Commission would be creating a separate system, which would have to spend funds on both operational and infrastructure costs. Additionally, approximately 2,700 veterans, the majority of whom are disabled, would lose their jobs.

As another way to encourage better services to veterans at the local employment offices, VETS would like to explore the possibility of establishing an incentive fund, which could be created within the DVOP/LVER appropriations, to be used to reward exceptional local offices, managers and DVOPs/LVERs, and poorly performing States that make dramatic improvements. This plan has all the positive benefits of competitive markets, while still allowing veterans to use the Employment Service and the One-Stop system -- without 2,700 veterans losing their jobs.

## **RECOMMENDATION**

That the Congress enact legislation to establish clear employment outcome measures (such as veterans entered employment, case-managed veterans entered employment, and veterans remaining employed for each year up to 3 years after entering employment) for the competitively awarded grants for the VCM Program.

That the Congress enact legislation to establish clear outcome measures (such as employer contacts resulting in the hiring of veterans and satisfaction of TAP workshop participants) for the VEF Program.

That the Congress enact legislation to revise existing reporting requirements for process measures and relative performance standards for determining compliance with requirements for providing employment services for veterans.

## **RESPONSE**

VETS agrees that the current ten year old individual performance measures need to be replaced. The prototype standards developed in 1990 as required by P.L. 100-323 were based upon the duties of the DVOP and LVER that measure processes and not results. VETS agrees with the Commission that the current State Performance Measures methodology used to collect information on veterans' service priority in accordance with the requirements of 38 U.S.C. 4107 (c) needs to be restructured to better recognize exceptionally good and exceptionally poor performance; to acknowledge differences in emerging service modalities; and to meet the need for obtaining outcome-based and results-oriented performance data. New individual performance measures may be effectively used as a motivator to challenge DVOP/LVER staff to increase their results-oriented activities. Nothing in the statute precludes VETS from establishing new

prototype outcome and process measures for DVOP and LVER. Therefore, we believe that the Commission's recommendation for legislation is unnecessary.

In fact, VETS has already moved forward in this regard. VETS has completed surveys, focus groups and individual discussions to determine new measures. VETS is now determining ways to measure the entered employment rate at the national and state level, including an adjustment factor for the states to deal with varying economic conditions and client characteristics (so that incentives will be meted out on a fair basis taking into account different unemployment rates in different states, the number of veterans in a state, etc.), earnings gains, employment retention, customer satisfaction and cost per entered employment. VETS will also track the number of veterans placed in training, the number of veterans case managed, the number of veterans receiving some reportable service, and the number of case-managed veterans entering employment.

VETS long ago took steps to authorize Alternative Measures Pilot Programs in several states, now in their second Program Year. Each state has independently selected a set of measures and has applied them toward the identification of a set of portable outcome-based and process outcome measures that may be institutionalized in a fair and consistent manner. In addition, VETS has been studying their evolution and has had direct input to the ETA and Department workgroups set up to determine the course of new performance measures developed for WIA and One-Stops, which are also responsive to GPRA requirements. It makes sense for the Department of Labor to be satisfied with the performance measures that will be of the greatest value, before requiring any changes to the reporting burden of the states.

It is also important to maintain the relative measures (veterans compared to non-veterans) since the DVOP/LVER programs are designed to provide enhanced services within a wider Employment Service system. Making sure that veterans who receive "priority of services" within that system do better than non-veterans is clearly important and worth maintaining.

## **RECOMMENDATION**

That the Congress enact legislation to require that case management and employment services now being provided to Vocational Rehabilitation & Counseling participants by VA-funded contractors be provided by VCM staff as part of the VCM program grant.

## **RESPONSE**

As a review of our response to Issue II.I regarding the VR&C program clearly shows, enormous progress has been made recently in the VA/DOL partnership (for example, the "entered employment" rate has increased from 33% in FY 96 to 64% in FY 98), and we believe DVOPs should continue to provide services to disabled veterans participating in the VR&C program within the existing employment service system.

## RECOMMENDATION

That the Congress enact legislation to require DOL to resolve significant discrepancies between the data for the BLS biennial report on the Employment Situation of Vietnam era Veterans and the VETS' ETA 9002 Report regarding the number of veterans who use state job services.

## RESPONSE

VETS and BLS agree that the data received from the States for Program Year (PY) 1996 which ended June 30, 1997 and the sample results taken in September of 1997 by the Bureau of Labor Statistics cannot be easily reconciled (page 50 Paragraph 1). The BLS and SESA reports are based on two completely different sources of data, with no basis of comparison, and thus, BLS and VETS should not be asked to reconcile the two. Regardless of the wide difference between the eight percent of the veterans' population that the States report availing themselves of SESA employment-related services and the 1.1% of the individuals in 50,000 households surveyed who identified themselves as using a Job Service office, the employment service data provided to the Commission is consistent with the trends of the previous five years. SESA data is based on veterans going through the Employment Service and the BLS study measures the general veterans population. These are two different populations with different characteristics. This shows that one measure is not sufficient to accurately assess what we do, which is why we are moving to multiple indicators from multiple sources.

The aggregate reports from the States, verified with the ETA, indicate that more than twice the number in the BLS sample that equated to 1.1% of all veterans had actually entered employment in Program Year 1996 following some reported assistance by the SESAs. VETS has already met with the Bureau of Labor Statistics to revisit the survey questions toward resolution of any discrepancies.

VETS reviewed all the data reported to Congress from State's reports for Program Year 1996. VETS has found that of the 25,422,800 veterans that the VA projections claimed were residing in the U.S. at the end of PY 1996, 2,035,016 or 8 % of the total estimated veterans' population registered with the State Employment Security Agencies. Twenty-five percent (510,465) of those veterans who were registered entered employment that year.

In summary, the Commission asks Congress to enact legislation to make changes in conjunction with the nine recommendations, including the establishment of a new delivery structure for veterans. The ASVET, however, has already designated within the current statutory framework special target groups (the hardest-to-serve and traditionally disadvantaged in local labor markets) of veterans who are most in need of facilitated services. Additionally, the Commission proposes that of the 2,000+ formula DVOP specialists, that 1,610 VCM positions be filled; and of the 1600 LVER positions, that only 552 VEFs, or less than 1/3 of these positions, be filled in order to save \$50 million in Federal Unemployment Tax Act (FUTA) funds and \$16

million in Department of Veterans Affairs (VA) Vocational Rehabilitation and Counseling (VR&C) contracted funds. However, the Commission does not describe how or who will pick up the staffing gap, especially given that it also asserts that veterans are currently being underserved. We believe that the emphasis already placed on case management, the veterans who will be able to more easily help themselves through the use of electronic tools such as America's Job Bank, which frees up DVOPs and LVERs' time to help those most in need, and the availability of many types of services in the One-Stop Centers, will work together to improve the services to all veterans, which is the ultimate goal of Congress, the Commission and VETS.

## **ISSUE ILC MARKET VETERANS TO EMPLOYERS**

The Commission wonders whether a more favorable job market can be created for transitioning service members and recently separated veterans. VETS believes that there are better ways to open the job market to veterans than those suggested in the report.

### **RECOMMENDATION**

Raise employer to awareness of hiring separating service members and recently separated veterans.

### **RESPONSE**

VETS agrees that veterans would benefit from increased employer awareness about the knowledge and experience veterans bring to their jobs. Many employers know that veterans make good employees. World class employers (Microsoft, Cisco, etc.) are coming to VETS seeking partnerships enabling them to access this rich talent pool. VETS now has a full time public information professional who is working to bring more attention to veterans' abilities. VETS is being covered by new media markets -- *Human Resource* magazine, a technology supplement in the *Washington Post*, etc. This is free marketing which, if used creatively, does not require extensive financial resources. Additionally, the Department of Labor plans a major employer outreach campaign to increase awareness of the One-Stop Center system and the new Workforce Investment Act. VETS expects to participate in that effort and will likely benefit from increased employer support for the workforce investment system.

### **RECOMMENDATION**

Facilitate the employment of separating service members and veterans through America's Career Kit, the nation's electronic labor exchange.

### **RESPONSE**

Veterans will continue to be included in information campaigns related to America's Career Kit. Together, VETS and ETA have developed an Internet-based Military Resume Writer and a military service section on America's Job Bank(AJB)/America's Talent Bank(ATB). VETS is constantly upgrading its own electronic transmission of employment, enforcement, and other information through its Internet Web Site, which can be found at [www2.dol.gov/dol/vets/](http://www2.dol.gov/dol/vets/). There, a veteran can find information on VETS' programs, interactive sites on veterans preference and employment and pension protection under the Uniformed Services Employment and Reemployment Rights Act of 1994, a staff directory, and much more.

## **RECOMMENDATION**

Direct and coordinate national, state, and local marketing initiatives.

## **RESPONSE**

With existing resources, which do not include any specifically appropriated funds, VETS is working at all levels to target information campaigns to employers with existing job openings. This campaign is best exemplified by VETS' Providing Reemployment Opportunities for Veterans (PRO VET) pilot program, which matches employers with job openings to groups of separating service members who have the required skills, all backed by a marketing effort reaching employers and job seekers.

## **RECOMMENDATION**

Congress enact legislation requiring the President to establish an independent organization, the VEN, to direct all marketing activities with an annual budget of \$10 million annually.

## **RESPONSE**

The Commission is recommending the creation of a commission at a 5 year cost of \$52 million, the vast majority of which goes for board member travel, administrative overhead and the like. Targeted marketing matching employers with specific job needs to veterans with specific job skills is much preferred. Yet another government or quasi-government commission does not accomplish this.

VETS advises putting marketing money where the veteran meets the job—at the state and local level, targeting employers who have jobs they need to fill and the veterans who have the skills to fill them. Effective marketing approaches and materials designed to meet specific local, state, regional or national challenges would be a more effective use of marketing funds. VETS is piloting this approach with its PRO VET initiative: using existing TAP workshops, VETS is offering to certify skills of veterans that match bona fide needs of local employers with existing job vacancies requiring these skills.

## ISSUE I.D TARGET ELECTRONIC EMPLOYMENT ASSISTANCE

### BACKGROUND

The key step in finding a job is establishing a link between the individual seeking a job and an employer with a job to fill. Historically, the public employment service established this link through employment service staff who made the connection between the job seeker and the job. The labor exchange process now includes facilitated services in which the employment service staff makes resumes and job listings available to employers and job seekers, who then decide for themselves which matches are appropriate, while still assuring that individuals can access help through mediated or staff assisted services.

The Department of Labor has been working to improve the electronic labor marketplace to better assist all job seekers, including veterans. With resources provided for the One-Stop initiative, the Department has created America's Career Kit, a group of Internet tools that help American workers and employers navigate the labor market, exercise informed choice in their workforce decisions and make training decisions linked to occupations that are experiencing skill shortages. Five elements make up America's Career Kit, including:

- America's Job Bank, (AJB), the largest and most frequently visited electronic job bank, listing 800,000 to 900,000 job vacancies that are updated on a daily basis, including significant numbers of vacancies in high tech occupations from major corporations and small businesses nationwide;
- America's Talent Bank (ATB), which allows job seekers to post their resumes and registered employers to electronically search resumes to find suitable candidates for job openings, and which now lists about 300,000 resumes;
- America's Career InfoNet (ACINet), which provides career-related information for any job seeker, employer, school or career counselor, such as employment trends;
- America's Learning eXchange (ALX), which provides information about available education and training opportunities where individuals and companies can readily find appropriate, already developed education and training courses;
- The Occupational Information Network (O\*NET), currently in the testing stage, provides comprehensive information on job requirements and worker competencies for workers, employers, instructors, students, and career counselors.

DOL is in the process of testing/piloting several features in both AJB and ATB to ensure priority of service to veterans: While a job is in the AJB queue (approximately a 24-hour period after a job announcement is posted and awaits approval by the state for inclusion in AJB), DVOP specialists and LVERs can review it before it is available to all job seekers and refer veterans to

that job. When the job moves from the AJB queue to on-line status, the software will automatically refer the resumes of qualified veterans to the applicable employer. When employers request applicants from ATB, the software currently ranks veterans ahead of equally qualified non-veterans. As a system addition, veterans soon will be ranked by veteran category (special disabled, Vietnam era, disabled, and other eligible veterans); veteran status, by category, will be a mandatory part of registration data for ATB.

A self-help tutorial for converting descriptions of military skills to descriptions of comparable civilian skills will be added. In addition, Federal contractor jobs currently are flagged for initial exclusive viewing by DVOPs and LVERs. Planned system additions include a welcome screen for AJB employers, seen immediately after sign-on, that will state, "Employers who are federal contractors can find important information about their responsibilities by clicking here."

The Commission indicated that 39% of the veterans polled in a 1995 customer satisfaction survey did not receive labor market information, and 88% of these individuals would have liked to receive the information. VETS concurred with that finding and shared the report with other agencies in the Department of Labor. Based on this customer satisfaction survey and other DOL surveys, the electronic tools created by the Department, including America's Job Bank (AJB), America's Talent Bank (ATB), America's Career Information (labor market information is incorporated in ACINet) have come a long way in addressing this problem.

## **RECOMMENDATIONS**

Within 180 days, DOL, DoD and VA design, establish, and maintain customized, separate Veterans and Servicemembers Internet Site(VASIS) for service members, veterans and employers on DOL's electronic platform. That the departments also market VASIS to employers, veterans, veterans' service organizations, and military associations, and train employment service providers and service members to use VASIS.

## **RESPONSES**

While we are pleased that the Commission agrees with us that electronic tools may prove to be invaluable to veteran job seekers, we believe it would be a mistake to create a separate VASIS system for veterans. It seems to us to be duplicative, and thus wasteful. We believe it makes more sense to link veterans to the existing sites of DOL and those being created -- such as our certification and licensing websites for military personnel. This is already being done.

There are other ways that VETS has been pro-active in its use of the Internet as another tool for employment networking. Some of the ways VETS is using the Internet to make VETS more customer-friendly are:

- The Military Resume Writer for separating service members. This product works in conjunction with AJB, and eventually with ATB. It helps transitioning military personnel

and veterans convert descriptions of military skills to descriptions of comparable civilian skills, thus creating a resume which will be more valuable to civilian employers.

- DVOPs/LVERs are currently and have been progressively receiving training on the use of Internet resources and tools and almost universally have access to AJB orders.
- Federal contractors can file VETS-100's electronically. The agency is currently exploring ways to allow Federal contractors who electronically file their VETS-100 direct access to the Military Resume Writer database, which contains only veterans' resumes.
- VETS was among the first to publish Grant solicitations via the Internet.
- E-Laws, a Uniformed Services Employment and Reemployment Rights Act (USERRA) Employee/Employer Advisor compliance assistance tool for both employees and employers, especially small business owners, is available on the Internet.

The Department of Labor is using information technology to develop a series of Expert Systems known as the Employee/Employer Advisor. The Employee/Employer Advisor is a computer program that stores valuable information and disseminates it in an informational and interactive framework. This system imitates the interaction an individual might have with a human expert to solve a problem. The Advisor is designed to give advice and/or provide information on a specific subject based on an individual's response to questions. For example, a reservist can learn his/her obligations to his/her employer by answering a series of questions posed by the system. Veterans Preference is also interactive in the same way -- the system, through a series of questions, advises the individual if he or she is a 5 or 10 points Veteran's Preference eligible.

Electronic resources are useful tools and the trend of the future. Veterans with military occupational specialties (MOS) that transition easily from the military to civilian occupations will find the electronic resources beneficial. However, those with combat-related MOSs will find it more difficult, as they may not have the necessary computer skills to take advantage of these resources. The clientele that have significant barriers to employment will still require facilitated, if not fully mediated, services. Unemployed veterans in rural areas, because of financial restrictions, the unavailability of the Job Service or an Internet Service Provider, may find their access to Internet services or self-help resources impeded. Moreover, the Internet is only as good as the jobs listed. For these and other reasons, although electronic technology has the potential to be the resource of choice for many individuals and will continue to be a priority, many other veterans will continue to need the mediated or special job training services provided by DVOPs and LVERs and other employment service staff.

## **ISSUE II. E. IDENTIFY CREDENTIALING BARRIERS AND OPPORTUNITIES**

While the Commission notes the impact of credentialing and licensing on the ability of veterans to obtain jobs in the private sector, and encourages the Departments of Labor, Defense and Veterans Affairs to work to assist affected veterans in this area, the Commission fails to report on what VETS has done in the area of certification and licensing since 1996. We are pleased to have this opportunity to do so, in response to the Commission's recommendations.

### **RECOMMENDATIONS**

Increase electronic information available on America's Learning Exchange (ALX) regarding credentialing requirements.

Increase private sector awareness of military apprenticeship training.

Work with DoD and VA to determine the extent to which credentialing requirements present employment barriers.

### **RESPONSE**

As the Commission did note, in 1996 VETS funded the very first study on certification and licensing to determine its impact on newly separated veterans seeking civilian employment, which study was sponsored by The American Legion. The resulting 1997 "Study of Civilian Licensure and Certification for Veterans" made clear the impact of civilian certification and licensing on transitioning military personnel. Thereafter, the Assistant Secretary of Veterans' Employment and Training began a three-tier study of this issue -- on the Federal level, the state level and in the private sector.

#### **Federal Level**

#### **Interagency Task Force on Certification and Licensing for Transitioning Military Personnel**

VETS and VA formed the Interagency Task Force on Certification and Licensing for Transitioning Military Personnel (subsequently referred to as the Task Force) on April 24, 1998 when the departments signed a Memorandum of Understanding (MOU), formally establishing the Task Force to serve as a catalyst for obtaining recognition of military training and experience by civilian credentialing boards.

An immediate result of the formation of this group is that the most important actors at the Federal level have come together in common dialogue for the first time, including all branches of the military, which has provided the participants with a comprehensive grasp of the work of sister

agencies and the challenges inherent in this issue. Federal certification and licensure requirements, as well as barriers to employment in Federal government agencies, represent the primary focus of the Task Force. A secondary focus has been to assist in the advancement of several DOL/VETS initiatives related to credentialing of current and former military personnel at the state and private sector levels.

Activities and accomplishments of the Task Force, to date, include:

- Documentation of existing parallel efforts in the credentialing arena;
- Identification of barriers to certification, licensure and credentialing at the Federal level;
- Establishment of new interfaces as a result of Task Force meetings and involvement;
- Development of plans for activities to be undertaken by the Task Force and its member agencies; and
- Formulation of proposals for future activities that require outside authorization and/or cooperation.

Initiatives ongoing among member Agencies include:

- Federal Aviation Administration (FAA) and military branches are to certify military flight examiners as FAA certified flight examiners, so that the same test that qualifies servicemen and women as military pilots will qualify them for their FAA pilot certification;
- FAA and Navy/ Marine Corps apprenticeship programs, through development of an MOU, will recognize airframe and power plant (A&P) training received by apprentices as meeting FAA standards for civilian airframe and power plant mechanics;
- Office of Personnel Management and Navy/Marine Corps apprenticeship programs will determine if the standards of the military apprenticeship programs meet those of the Federal government; and
- Creation of the Joint Military Apprenticeship Workgroup (ETA Bureau of Apprenticeship Training and military branches). The workgroup will select five to seven occupations that have a joint service apprenticeship commonality; will provide to AFL-CIO building and construction trades to determine if the unions will recognize the common training provided by the military branches.

Future activities of the Task Force include:

- Improving military members' awareness and understanding of credentialing and access to resources, and providing relevant information to civilian credentialing boards;
- Determining ways to promote Federal government employment of veterans;
- Marketing to recruiters, career counselors and family service/support center officials the long-term benefits of acquiring worker credentials while serving in the military.

### **State Level**

#### **Certification and Licensure Pilot Project**

Five States -- Colorado, Ohio, Maryland, Georgia and South Carolina -- have joined VETS in implementing a pilot project to find ways to alleviate credentialing barriers faced by separating military personnel. Each state has designated a pilot coordinator who works full time on project activities. Contractor support is being utilized to provide needed administrative support. For example, a VETS' contractor supplies information on state certification requirements and military training curriculum to each pilot coordinators.

The objectives are to identify credentialing barriers, coordinate with applicable credentialing boards, correlate military training and experience with credentialing requirements, close the credentialing gap and develop and implement a plan that will:

- Get the certification entity within each state to recognize military training and experience as meeting some, or all of the requirements for certification and licensing for the occupation(s) selected to test;
- Educate transitioning military personnel as to the credentialing requirements;
- Facilitate the acquisition of the applicable certification; and
- Move veterans into the select credentialed occupation(s).

The Pilot Project is expected to move veterans into long-term stable credentialed occupations. VETS has designed a strategy to provide the state coordinators the needed direction and support to accomplish the following:

- Identify an occupation to be examined in each Pilot state;
- Coordinate with state licensing boards responsible for establishing requirements for chosen occupation and collect detailed credentialing information;
- Collect detailed information on military training and experience provided by each branch of service for the chosen occupation;
- Correlate the civilian certification and licensing requirements with the like training and experience gained in the military;
- With the state, determine the steps needed to close the gap between the military training and experience and the civilian credentialing required for the select occupation within the state. State certification entity and pilot coordinator will agree on
  - ▶ the extent to which military training and experience meet credentialing requirements; and
  - ▶ what additional training, experience, education and/or testing, if any, may be required of a veteran prior to meeting all credentialing criteria.
- Coordinate, as necessary, with any national certification body used by the state to determine qualifications for a chosen occupation;
- Advise veterans of requirements still needed to be certified and assist in satisfying such requirements; and
- Begin to move qualified veterans into the select credentialed occupation.

## **Private Sector**

### **Communication Workers of America (CWA) Pilot Project**

VETS awarded a grant to the Communication Workers of America (CWA) in November, 1997, that allowed CWA to develop a skills and aptitude assessment program for the telecommunications industry that is now available over the Internet ([www.cwajobs.com](http://www.cwajobs.com)). The Internet program allows transitioning military members and veterans to self-register, receive an assessment and an evaluation of their technical abilities, and aids them in determining the best job match for their skills, interests, and career goals for high technology jobs within the industry. Fully qualified registrants will be referred to employers such as Lucent Technologies, AT&T, U.S. West, and others. At present, five positions are available for referral and hire: cable installation technician, telephone systems installer, LAN/WAN technician, central office technician, and customer service representative. Those transitioning military members and veterans who may require additional training or course work will be directed to apprenticeship and skill certification programs that will enable them to qualify for career building jobs in the rapidly expanding telecommunications industry.

The project currently is being tested at selected sites where VETS conducts its three-day Transition Assistance Program. CWA has been granted a no-cost extension through March 31, 1999 to fully implement upgrade components on the website and has requested a new grant to continue to upgrade this project. CISCO Systems has come on board as of January 24, 1999 and will be incorporating a fully automated assessment component onto the website. Further involvement with CISCO will include distance on-line training for those registrants who will require additional training before they can be referred to specific jobs. As of January 1999, 337 separating service members have self-registered and 201 have been referred to jobs (60% referral rate).

## **Special Project**

### **VETS' Worker Credentialing Website**

The availability of easily accessible, comprehensive information on licensure and certification requirements can aid in the ability of current and former military personnel affected by credentialing to obtain information on civilian credentialing requirements. However, credentialing is conducted by civilian boards and the requirements are geared towards traditional routes of obtaining education, training, and experience in the civilian sector. They do not typically take into account training and experience obtained through the military. Thus, to fully reduce barriers related to credentialing, military personnel need to be provided with information that is specifically tailored to their military backgrounds. Among other things, they need to be aware of:

- The extent to which their military training and experience qualify them for civilian credentialing;
- What, if any, additional training or experience is necessary to qualify for licensure or certification;

- Where to get additional training, if needed;
- What resources are available to fund additional training; and
- What resources are available to pay for course and credentialing fees.

The purpose of the VETS website is to better prepare current and former military personnel for civilian credentialing by providing an easily accessible, consolidated source of information on credentialing requirements and to provide customized information that is tailored to the unique needs of current and former military personnel. Not all military personnel are aware of the fact that they may not be able to practice in their field in the civilian sector without first obtaining a license or certification. By providing information on licensure and certification requirements to current and former military personnel, VETS will help to minimize the disruption in employment that occurs at the time of transition.

The website will provide general information on credentialing and how it affects military personnel, and occupation-specific information. Occupation-specific information will be included for those occupations determined to be most relevant to current or former military personnel. As currently planned, the website will incorporate information on four key forms of credentialing: Federal licensure, state licensure, national certification, and proprietary certification. In order to determine which credentialed occupations warrant the most information on the website, it was necessary to prioritize them to determine what level of detail should be included on the website on each. Three possible levels of detail -- or priority levels -- are currently envisioned for the occupations included on the website:

Level 1 -- Those given the highest priority will have detailed information on civilian credentialing requirements as well as information on gaps between military training and experience and civilian credentialing requirements.

Level 2 -- Those with the next highest priority will not be included in the gap analysis, but an attempt will be made to incorporate information on actual civilian credentialing requirements.

Level 3 -- Those given the lowest priority will have, at a minimum, contact information on how to obtain additional information.

### **Website Development**

Website development is being executed in two stages:

- Website Information Collection and Design is identifying and developing the information that will be incorporated on the website and identifying design issues from both a user and a systems perspective.
- Website Development and Maintenance is the development of the website from an information technology perspective.

### **Website Development Partnership**

DOL's Employment and Training Administration (ETA) is proposing a project to provide easy, user-friendly access to information on occupational licenses in all states through America's Career Kit. Specifically, licensing information will be provided through America's Career Information Network(ACINet). Information on state licensing requirements is a natural addition to America's Career Kit suite of services.

VETS and ETA have been meeting regularly to determine if the proposed VETS' credentialing website might also fit into the America's Career Kit suite of services. The crosswalk of information is beneficial to both agencies, in that it precludes duplication of effort and makes available to both agencies useful information that neither was independently aware of prior to their communication. The timeline for website development is somewhat soft at this time, but it is expected to be up and running by mid 2000. Website maintenance will be an ongoing process.

VETS and ETA welcome the recommendations of the Commission which support the work of the Department of Labor in the area of credentialing and licensing, not just for transitioning service members and veterans, but for all American workers.

## **ISSUE II.F INCREASE ACCESS TO FEDERAL VETERANS' TRAINING PROGRAMS**

### **BACKGROUND**

The statutory intent of Job Training Partnership Act (JTPA), Title IV - C is to serve the employment and training needs of Vietnam era, service-connected disabled, and recently separated veterans (within four years of separation). However, through the recently enacted Workforce Investment Act, the target population has been expanded to include those who have received a campaign or expedition medal, and veterans with significant barriers to employment.

Prior to Program Year (PY) 1994, every state received formula-driven JTPA, Title IV - C funds annually. These allocations were small in comparison to other JTPA funding sources, i.e. Title II.A (economically disadvantaged) and Title III (Dislocated Workers). Small states were only entitled to about \$55,000. Furthermore, a significant portion of these funds were absorbed by administrative overhead, leaving very little for the employment and training needs of the targeted populations. The annual appropriation was the same then as it is now, \$7.3 million. Some states refused the funding, because it was not enough money (after overhead was considered) to be worth the state's time.

In PY 1994, VETS management changed this policy. Distribution of JTPA IV-C funds became competitive: a 2 year solicitation for grant application (SGA) with optional second year funding that was subject to performance as well as Congressional authorization and appropriation. Under the current system, Governors are sent written notification of the SGA, and proposals are only accepted from the Governor's recognized JTPA entity. \$6 million is competed, with grant awards up to \$850,000. The remaining \$1.3 million is available to the Assistant Secretary for Veterans' Employment and Training (ASVET) for discretionary grants, which are provided to fund pilot or demonstration projects, in amounts up to \$150,000.

Since PY 1994, competitions have generated between 30 to 40 proposals per SGA (some states choose not to apply). Currently, VETS and the Department of Labor grant office staff review the proposals for fiscal accuracy and validity of content. VETS assembles a team, generally staff from the field, which reviews and scores each proposal. After each proposal has been scored and ranked, a list of potential grantees goes forward to senior and executive management for concurrence. Once the final decisions are made, the awards are approved. Recently, the number of grantees has ranged between 11 to 14 grantees (per SGA), and the grant amounts have ranged from \$200,000 to \$850,000 for a total of \$5.8 to \$6 million per competition. The remaining funds are made available to the ASVET to fund the discretionary grants.

Some of the discretionary grants have gone to licensing and certification programs, special emphasis programs for Native Americans, Communications Workers of America's Military to Work Project, bridge funding for Homeless Veterans programs (in partnership with the

Department of Housing and Urban Development), and special programs targeting populations with significant employment barriers.

Since PY 1994, with the assistance of DVOPs and LVERs, JTPA IV-C continues to enroll into training between 3,000 to 4,000 veterans per year, and places into gainful employment between 1,800 to 2,100 per year. PY 1997, the year just completed, JTPA IV-C cost per enrollment was \$1,763.00, a cost that is lower than other JTPA programs, such as Titles II.A (\$2,094) and III (\$1,925) for PY 1996. The success of these programs, lower cost of enrollment, and reduced administrative and programmatic expenses are attributed to the inherent role that DVOPs and LVERs have played. VETS also believes that the DVOPs and LVERs commitment to the program and their role in providing case management and placement follow-up is instrumental to the success of the program.

### **RECOMMENDATION**

That Congress authorize and appropriate approximately \$32 million for a viable single entity national veteran's training program.

### **RESPONSE**

VETS currently is the focal point for veterans' training. Much of this training is provided by accessing and leveraging other systems and sources of funding. For example, VETS supplements Title IV-C services by brokering training services for veterans within the larger job training system run by local workforce boards. Currently under JTPA, veterans receive job training and related services under programs for dislocated workers and economically disadvantaged adults. Under the Workforce Investment Act, which will replace JTPA, veterans will be able to access information and services through the One-Stop delivery system. Training will be provided through Individual Training Accounts (ITA), which will allow veterans and other customers to choose training through a market-based system. Within the One-Stop setting, DVOPs and LVERs can arrange for veteran participation in these larger, better-financed training programs and to benefit from the new ITA system. Funding at the level recommended by the Commission would enable the WIA veterans program to be offered in every state.

### **RECOMMENDATION**

That DOL make JTPA IV-C and Veterans' Workforce Investment Program (VWIP) training equitably available to all eligible veterans through a competitively selected executive agent, either a Federal, state, or nonprofit organization with the ability to disburse funds nationally. Under this system, veterans' employment service providers in all states (currently DVOP and LVER staff) would write training contracts for individual veterans until the pool of funds was exhausted. Training providers would submit their invoices for payment to the executive agent administering the funding pool.

## RESPONSE

As noted in the previous response, VETS relies on various funding sources to provide training to veterans and VETS believes the current system makes full use of the funds available. JTPA IV-C and/or VWIP grants currently serve targeted populations - Vietnam era, service-connected disabled, and recently separated veterans (within four years of separation from the military). The Workforce Investment Act has expanded the target population to include those who have received a campaign or expedition medal, and veterans with significant barriers to employment. This notably increases the number of veterans that can be served -- thus making the training funds available to more veterans, while still targeting those most in need and most deserving. DOL/VETS currently has Federal staff in each state who serve as Grant Officer Technical Representatives (GOTR) - they monitor grant performance and fiscal activities and are available to provide technical assistance or customer service for all VETS grants in their respective state. This oversight helps minimize waste and maximizes the benefits of each grant.

The Commission states that of more than 100,000 veterans assessed as needing training to become gainfully employed, existing programs could enroll only 19,000. This 19,000 figure is somewhat misleading. The Commission misinterpreted the PY 1996 report from which it took this information. JTPA service providers are not always operated by the Job Service. JTPA service providers can be non-profit organizations, community-based organizations, or private industry councils. JTPA service providers and the Job Service have their own data collection systems. Job Service data is collected on the ETA 9002 form. JTPA services are collected on the Standardized Program Information Report (SPIR). In fact, in PY 1996, 70,788 veterans were enrolled and completed some type of DOL-funded training, not the 19,000 the Commission claims. In PY 1996 -- the most current data available -- veterans were served in DOL programs targeted at the economically disadvantaged, youth, older workers and dislocated workers.

## **ISSUE II.G PROVIDE INCENTIVES FOR FEDERAL CONTRACTORS TO HIRE VETERANS**

### **BACKGROUND**

Under Title 38 U.S.C. 4212, entities receiving Federal contracts or sub-contracts of \$25,000 or more are required to take affirmative action to employ and advance in employment qualified special disabled veterans, veterans of the Vietnam era and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. With the exception of executive and top management positions, positions which are to be filled from within the contractor's organization, and positions lasting three days or less, these contractors and sub-contractors are required to list immediately with the appropriate local employment service office all of their employment openings. The local employment service offices are required to provide priority referral of these targeted veterans to job openings listed. Federal contractors and sub-contractors are also required to report annually to the Department of Labor the number of targeted veterans hired during the report period, the number of targeted veterans in their workforce and since October 31, 1998 the minimum and maximum number of employees of the contractor during the report period.

VETS provides Federal contract award information to VETS field staff and local employment service office staff, which provide the name and address of Federal contractors to be contacted by the local employment service staff. These contractors are contacted to ensure they are aware of their responsibilities to place job openings with the local employment office; the staff also takes the opportunity to tell employers of the qualified veterans that are available to fill these positions. During Program Year 1997, Federal contractors and sub-contractors reported that 123,876 targeted veterans were hired to meet their affirmative action requirements. This number includes 14,161 special disabled veterans. In meeting the requirement to provide priority referral of targeted veterans to Federal contractors and sub-contractors, local employment offices reported that 51,895 veterans were placed. Of this number, 16,259 were Vietnam era and 2,642 were special disabled veterans.

It should be noted that some data cited by the Commission on page 72 does not prove the Commission's premise that the Federal Contractor program is ineffective. The report states that according to the VETS FY 1997 Annual Report to Congress, 161,271 Federal contractors filed VETS-100 forms in the period ending March 31, 1997, reporting 55,238 special disabled veteran employees and over 1 million Vietnam era veteran employees. While the Commission uses these data to estimate numbers of veterans per contractor, it is important to note that the universe of Federal contractor employees was unknown, so there is no way to know whether veterans are large or small shares of the employers' workforces. At the time, the applicable law did not allow VETS to ask Federal contractors how many total employees (veterans and non-veterans) they had. As stated above, VETS is now permitted to collect data on the universe of employees of Federal contractors, so the data on targeted populations will now be more useful.

VETS is also responsible for collecting the annual VETS-100 report which is required to be completed by each Federal contractor and sub-contractor. Data received on the VETS-100 report includes the number of targeted veterans currently in the employer's workforce, the number of targeted veterans hired during the previous twelve month reporting period and the minimum and maximum number of employees on board during the reporting period. VETS maintains a data base of approximately 60,000 Federal contractors and sub-contractors. These 60,000 employers report on approximately 200,000 hiring locations. A final compilation of FY 1997 data indicates that of the Federal contractors and sub-contractors in the VETS data base, 10,930 Federal contractors did not file the required VETS-100 report. As VETS may not have received information on employers who are no longer Federal contractors, the actual number of Federal contractors required to submit this report may be less than the 10,930 reported. Nevertheless, this information was passed on to the Office of Federal Contract Compliance Programs (OFCCP) for further consideration.

VETS also makes this reporting data available to Federal contracting officers so they may comply with the Veterans Employment Opportunities Act of 1998 (PL 105-339). This act requires that Federal contracting officers may not obligate or expend appropriated funds to enter into a contract with a Federal contractor who has not met its veterans' employment reporting requirement for the preceding fiscal year or until the contractor submits the required report. For the 1999 report due in September, VETS has also changed the VETS-100 report to include the reporting of the Employer Identification Number by Federal contractors and sub-contractors. This will allow VETS the opportunity to compare the data of Federal contractor information released by the Federal Procurement Data System with the data available from the Commerce Business Daily. This information will also allow VETS to identify Federal contractors who place job openings on America's Job Bank (AJB) (which meets the legal requirement of listing job openings with the local employment service office).

In 1998 VETS developed an Internet site which allows small business to submit their VETS-100 report electronically over the Internet. VETS is also drafting a research and development solicitation for grant awards (SGA). It is anticipated that this grant will be awarded by July 1, 1999. This grant will provide funds to develop a comprehensive and interactive Internet program to provide Federal contract award information to local employment service offices.

OFCCP's role in the acquisition process is to conduct pre-award compliance evaluations to assess the equal employment opportunities status of prospective awardees of Federal contracts of \$10 million or more and to make that information available to contracting agencies. To facilitate this, OFCCP has developed an automated system called the Pre-award Registry. The Registry records the contractors who have undergone compliance evaluations which were concluded within the previous 24 months. Contracting agencies may access this information on our web site.

OFCCP made recent regulatory reforms that allow them more flexibility in their compliance evaluation procedures applicable to veterans' employment by Federal contractors. Under OFCCP's new framework, they expect to be able to increase the number of contractors checked for filing the VETS-100 report. During a compliance evaluation, OFCCP determines if a contractor has maintained nondiscriminatory employment practices and has taken affirmative action. The compliance officer verifies if a contractor has submitted the VETS-100. If not, OFCCP notifies VETS of this violation. If a contractor fails to comply with the mandatory job-listing requirements, OFCCP may impose a variety of sanctions, including canceling or suspending the contract, or debarring the contractor from further government contracts.

In the spirit of intra-agency cross-cutting efforts, VETS and OFCCP entered into a Memorandum of Understanding (MOU) to assure that veterans seeking employment with Federal contractors receive the best possible service. The Commission's Report was shared with OFCCP and they provided their comments and recommendations. One comment from OFCCP was that the Report characterized OFCCP's enforcement as complaint driven, rather than compliance oriented. In fact, VETS and OFCCP view their contract compliance monitoring responsibilities as both compliance oriented and complaint driven.

## **RECOMMENDATION**

Congress should enact legislation to: Mandate that solicitations issued by the Department of Defense, Veterans Affairs, or Labor for the procurement, by contract or grant, of real or personal property or nonpersonal services require offerors to include, for purposes of evaluating past performance, a description of their program for hiring and promoting qualified eligible veterans.

## **RESPONSE**

The intent of Congress in the Federal Contractor Program has been that contractors act affirmatively to hire veterans. The Commission's recommendation to require contractors to include, for purposes of evaluating past performance, a description of their program for hiring and promoting qualified eligible veterans raises many issues, such as balancing the burden on contractors with the benefits of the information, the need to verify claims of past performance and determining success versus failure. Given these issues of concern, VETS does not support this recommendation. In addition, VETS disagrees with limitation of the Federal Contractor Program to the Departments of Defense, Veterans Affairs and Labor, since it would cut the number of Federal contractors required to act affirmatively to hire veterans.

## **RECOMMENDATION**

Congress should enact legislation to: As part of any required subcontracting plan, an affirmative commitment to hire eligible veterans as a specific percentage of the workforce.

Provide that an offeror/offeree responding to a solicitation covered above will earn additional evaluation credit based on the likelihood of meeting the subcontracting goal regarding veterans as set out in its subcontracting plan.

Provide that proposals found not to include an acceptable subcontracting plan will be rejected.

## **RESPONSE**

VETS disagrees with the Commission's recommendation that sub-contractors be required to provide an affirmative action commitment to hire eligible veterans as a specific percentage of the workforce or that offerors not including this provision would be rejected. This could be construed as a quota system, and Congress has been reluctant to pass legislation that requires private employers use hiring preferences for particular groups. VETS also does not believe legislative change is necessary.

## **RECOMMENDATION**

Congress should enact legislation to: Amend the current affirmative action requirements in section 4212 of title 38 to substitute "recently separated veterans" for "Vietnam-era veterans" and "disabled veterans" for "special disabled veterans."

## **RESPONSE**

As many of the veterans separating from the armed services include an ever increasing number of women and minorities who have higher unemployment rates than veterans generally, VETS believes that amending section 4212 of Title 38 to extend coverage to "recently separated veterans" would assist these transitioning service personnel into the civilian workforce. As Bureau of Labor Statistics (BLS) data indicates that older veterans (ages 45 and older) represent 56.2% of the unemployed veterans, VETS recommends that Vietnam era veterans continue to be targeted under the FCP. Therefore, VETS recommends that the term 'Vietnam era veterans' be retained. In addition, it is unclear what is meant by "recently separated veterans."

VETS does not support the recommendation to change "special disabled veterans" to "disabled veterans."

## **ISSUE II.H IMPROVE EFFECTIVENESS OF THE ADMINISTRATION AND OVERSIGHT OF VETERANS' EMPLOYMENT AND TRAINING PROGRAMS**

In this section, the Commission suggests significant changes in the manner in which employment assistance for members of the Armed Forces and veterans is provided through a restructuring of the administration and oversight of veterans' employment and training programs.

### **BACKGROUND**

We believe the analysis underlying this critical section of the Commission's report is flawed. The assumption is that employment and training programs for veterans do not work, that they cannot get better, and that they would be better administered within the Department of Veterans Affairs.

In fact, the Commission hesitates to champion its own recommendation when it says "On the other hand, as a considered alternative, the Commission has no assurance that transfer of administrative responsibility and funding for veterans' employment and training programs from DOL/VETS to VA would result in the desired improvements." On that statement, VETS and the Commission are in complete agreement.

### **RECOMMENDATION**

That Congress direct GAO to immediately conduct an organizational and programmatic audit of DOL/VETS to establish a basis for future measurement of the agency's effectiveness in supporting employment services for veterans through DOL programs.

That Congress and DOL within 90 days of enactment, jointly agree on specific desired improvements and appropriate outcome measures.

That Congress direct GAO to conduct a follow-up audit of DOL/VETS 24 months after the desired improvements and outcome measures have been agreed upon to determine:

- The degree of DOL/VETS success in accomplishing the objectives
- The feasibility and desirability of consolidating into a single organizational entity the administration of veterans' employment and training programs now divided between DOL/VETS and VA's VR&C.

If the GAO follow-up audit finds that DOL has made inadequate progress towards identified goals as measured by agreed-upon outcomes and that a consolidation of program administration would be feasible and desirable, the Congress enact legislation that would consolidate the direct employment and training programs now administered by DOL/VETS and the VA's VR&C Service as a separate organization within VBA for employment and training.

## RESPONSE

It appears that the Commission has concluded that an entire agency (VETS) of one Federal department (Labor) should be moved to another department (Veterans Affairs) with a totally distinct mission because it believes that the one program jointly served by VETS and VA, involving about 7,000 disabled veterans a year, is unsuccessful. While we certainly support a thoughtful evaluation of VETS programs and services, we believe that the full range of VETS' activities must be acknowledged. VETS provides services for 15 million veterans in the workforce, including the 2 million who are at any one time registered at the employment office, and the 200,000 transitioning service members eligible for Transition Assistance Program workshops. The Commission provides no basis for believing that VA can successfully meet all the employment and training needs of veterans. The Commission's conclusion that employment and training services for all veterans should be moved to VA appears to be based on old reports of VA's performance, not a study of the organization and programs of VETS.

The Commission did not take into account up-to-date information which we believe demonstrates that VETS is successful in its ultimate goal -- helping place veterans into jobs. In fact, the unemployment rate for veterans is lower than the national unemployment rate, vast improvements have been made to the Vocational Rehabilitation & Counseling program, leading to excellent placement rates for graduates of the program ( please see Issue II.I), VETS is doing cutting edge work in the area of certification and licensing (please see Issue II. E), running innovative projects with major corporations and unions leading to smooth transitions of separating military personnel to secure, high-paying civilian jobs, and much more. Additionally, the Workforce Investment Act, passed by Congress just last year, requires all employment and related services to be available to all Americans in a 'one-stop' employment service system. It seems directly counter to Congress' purpose to separate veterans from the new system created by that legislation, which would be the end result of the Commission's recommendations in this section.

VETS is a public agency and is open to public scrutiny. VETS welcomes a review of its operations and programs by GAO. The GAO has reviewed our DVOP/LVER programs, and our Performance Plan in the past. We have made Congress aware of what is in our Strategic Plan and briefed several committees about it. Last year, VETS instituted a Program Management System tied to its Annual Performance Plan and these goals are being made part of the managers' performance plans. Where there are problems, we are taking corrective action.

Joint training was conducted for VA VR&C counselors and DOL and SESA staff in Pittsburgh last summer. The joint training was designed by the National Veterans Training Institute to help implement the national MOUs signed in 1995 on the local level. More than 500 VA, State and VETS staff have participated, and the results of that training are clearly showing that where VETS and the VA work cooperatively on the local level, placement of VR&C participants has never been better. In West Virginia, the VA no longer contracts out case management of its clients and the state VR&C unit now ranks in the top five VA regional offices

for successful rehabilitation of clients. In Arizona, the VA and the Job Service are planning a pilot program to place a VR&C specialist in a Job Service office. In New York City, a DVOP has long been a fixture in the VA's regional office, providing participants with a seamless web of services. These are examples of progress omitted from the Commission's report. Other examples of great progress in the VR & C program are set forth in II. I. of this Response.

The Commission further believes that too many rehabilitated veterans "fall through the cracks when passed from one department to another." That conclusion was reached in an article written in 1989 which called for moving VETS to the VA ("*Now's the Time to Move VETS*," DAV Magazine, September 1989 by Ron Drach). No one can dispute the importance of helping disabled veterans reintegrate into the civilian labor force. VETS has improved services in this area (as made very clear in Issue II. I) and will continue to do so. But VETS is also committed to serving ALL veterans. VETS, armed with its strengthened partnerships with the Employment and Training Administration, stands in a better position than ever before in its history of serving veterans in the job market and protecting their interests at the policy making table. Removing VR&C from DOL jurisdiction altogether means less of an opportunity for VR&C clients to take advantage of the full array of services offered at the new One-Stop centers and the many Labor programs existing there, such as the dislocated worker program and the welfare-to work program targeting help to non-custodial parents.

Finally, the Commission postulates that "implementation can be accomplished with existing staff and budget." It is, perhaps, easy to move people from one agency to another. But it is a vastly different and more complicated task to move funding streams from one agency to another. This is a critical area ignored by the Commission. VETS' employment and training services are paid for by a dedicated employer (FUTA) tax, not general revenues. The funding stream comes through the labor and education appropriations committees in Congress, not the VA/HUD/Transportation committees. If funds for veterans are not transferred to the VA appropriations committee, then new funding would have to be found to pay for these VA-based services. Unfortunately, the Commission's recommendations conflict and often compete among Congressional committees, funding streams, block grants to States, One- Stop centers, and pitting one group of veterans against all others.

## **RECOMMENDATION**

Congress should immediately rescind the residency requirements for DOL/VETS DVETS and ADVETS.

## **RESPONSE**

VETS has no position on this recommendation.

## **II.I IMPROVE EFFECTIVENESS OF THE VA VOCATIONAL REHABILITATION PROGRAM**

Congressional pressure and a realization that the Vocational Rehabilitation & Counseling (VR&C) program was not meeting its mandated obligations prompted Department of Veterans Affairs (VA), VR&C and the Department of Labor (DOL), Veterans' Employment and Training Service (VETS) to begin an aggressive effort to focus on improved cooperation, coordination and measurable interaction between VA and DOL on behalf of disabled veterans enrolled in the VR&C program. The desired result was to increase the employment opportunities and placement in suitable employment of VR&C participants.

Set in motion by the 1995 VA/VR&C - DOL/VETS Memorandum of Understanding (MOU), the joint initiative has steadily improved. Job placements and adjustment to employment opportunities for disabled veterans continue to increase. We have, in the past three years, made significant strides on behalf of Chapter 31 clients. Joint training initiatives (local and National levels), information exchanges, routine and open lines of communication, problem solving and aggressive oversight have contributed to the overall improvements.

### **Policy/Guidance/Oversight:**

Veterans' Program Letter (VPL) 8-95, dated September 1, 1995, formally notified the State Employment Security Agencies (SESA) and the DOL/VETS staff of the provisions of the National MOU and how implementation was to be effected. The VETS and SESA actions to begin implementation of the MOU were to:

- Ensure the establishment of effective coordination and liaison actions between all VR&C stations and SESAs, particularly at the local service delivery level;
- Develop procedures for notifying appropriate SESA staff of those VR&C clients who are within 90 days of completion of a training course or who are program participants recognized as being "job ready";  
*Note: Job ready refers to participants who are determined to be ready, willing and able to participate in job development activities, but may in fact have issues or barriers to actually being employed; very limited transportation, child care needs, etc.*
- Ensure that the full range of labor exchange services, including case management, are made available to these disabled veterans in a timely manner; and
- Monitor and track all VR&C clients referred by the VA to the SESA for placement services until such clients are considered to have entered suitable employment.

Directors for Veterans' Employment and Training (DVETs) were instructed to facilitate the development of statewide MOUs (and local MOUs, if appropriate) between VETS, SESAs and the VR&C based upon the provisions of the National MOU and the requirements of the VPL.

The following considerations were to be taken into account when developing the statewide MOUs.

- **Out-stationing** -- The out-stationing of a DVOP specialist, on a full time basis if caseload so warrants, at each VR&C primary and satellite station.
- **Referrals** -- It is essential that an effective communication and referral system be in place in each state and between states to ensure a seamless transition from a training mode to an active job search phase for these disabled veterans.
- **Coordination** -- SESAs should arrange to have a State Central Point of Contact to assume the responsibility of coordinating the implementation of the statewide MOU.
- **Tracking** -- It is important that all agencies involved be able to successfully track these clients through the training, referral and service delivery systems and share that information. To that end, processes must be developed at the state and local level to ensure the timely referral of all VR&C clients in need of employment assistance to the appropriate SESA local office, as well as ensuring that they are provided the full range of employment services.
- **Case Management** -- A large number of these disabled veterans will require intensive and individualized job development services (i.e. "Selective placement"). Thus, they would best be served through a case management approach by DVOP specialists or LVERS who have been trained at the National Veterans' Training Institute to provide case management services.
- **Teamwork** -- The National MOU commits the agencies to "...improve networking efforts for all VR&C program participants by enabling local representatives to take a team approach to job development and placement beginning as early as possible in the rehabilitation process but no later than 90 days prior to projected completion of the training component of the program." ".....the earlier a case management team approach is developed for these clients, the more likely it is that the goal of the client gaining suitable employment will be achieved."
- **Reporting** -- there is a need to be able to monitor the provision of services to these veterans, identify problem areas and successes, to share information with the VR&C, and to report achievements to Congress.
- **Monitoring** -- DVETs will be responsible for convening regular meetings of the parties to the agreement for the purposes of measuring progress toward achievement of agreed upon agency goals and addressing significant issues/problems which may arise during the implementation stages of the agreement. DVETs will also take a proactive role in identifying and resolving problems which may impede progress toward achieving the goal

of obtaining suitable employment and the successful rehabilitation of these disabled veterans.

Regional Administrators of VETS (RAVETs) were directed to conduct a thorough and comprehensive state by state review of the relationships between the VR&C, SESAs and VETS for each of the states within their respective regions. The review was to focus on the concrete results produced from the relationships between the Agencies, i.e. increased placement of VR&C clients.

In January 1997, RAVETs and DVETs were directed to work with their respective VR&C officers on the quarterly VR&C activity report. DVETs were instructed to work closely with their VR&C and SESA partners to ensure tracking procedures are in place which will readily result in mutual validation of data each quarter.

In August 1997, RAVETs and DVETs were instructed that the VETS National Office would provide quarterly “feedback” reports of data analysis to each RAVET for follow-up and /or clarification, as necessary. (Subsequently replaced by the VETS’ Operations and Programs Activity Report (VOPAR))

In December 1997, SESAs and VETS staff were advised that the quarterly LVER report of VR&C activity has been revised. Data was to be reported cumulatively and several data categories were added (Terminated and Average Entry Wage). Average Entry Wage was deemed an optional entry. Referred and registered were combined to reflect a single Registered category.

In November 1998, RAVETs, DVETs and SESA administrators were asked to provide guidance and clarify data definitions when reporting FY 1999 VR&C activity. Reporting characteristics within this policy document reflect the reporting content contained in the VETS/VR&C Partnership Operating Guide. Categories have been reorganized. None have been deleted from that which was included in the 1998 report. A carry-over category has been added and “Terminated” has been changed to “Discontinued/Terminated.” Additional guidance has been included that clarifies data definitions and proper use of the definitions pertinent to VR&C activity reporting.

VR&C training was included in three Tri-Regional conferences in 1997. A VR&C Workshop was held in conjunction with the VETS National Conference in March 1998. A final presentation of findings and recommendations was provided to the general assembly and provided to the ASVET and briefed to the RAVETs in April 1998. Key issues that were addressed during the two-day workshop include interagency cooperation and coordination at the local level, oversight as a key to success, tracking clients throughout the VR&C process, and reporting VR&C activity data.

### **Coordination of National Interagency Training (1996 -- 1998):**

To further the effectiveness of the initiative with the VA VR&C program, VETS contracted with NVTI to begin an “Employment Assistance Basic Course for Vocational Rehabilitation & Counseling Service Clients” (later named the Vocational Rehabilitation Placement Specialist’s Course) in 1996. This was a joint effort by VA and VETS and was designed to train the staffs of both Agencies directly involved with the VR&C process. Those DVOPs with the heaviest VR&C client caseloads were the first to receive this training. The training helps DVOPs and LVERs understand the marketplace for disabled veterans, enhances the unique skills needed to assist disabled veterans, and provides a basic understanding of the general policies and procedures of the VR&C Service.

After analysis of nationwide first quarter, FY 1997, VR&C activity report narratives, it was apparent that there were significant differences in the way that VETS and VA VR&C envisioned reaching their ultimate goal of “successful job placement and adjustment to employment for disabled veterans without duplication, fragmentation or delay in the services provided.” A joint In-Process Review meeting was held to identify and overcome barriers that impeded the progress of the partnership. Representatives from VETS, VA VR&C and the SESAs met in Washington, D.C. in February, 1997. The meeting was facilitated by staff from NVTI. The primary focus of the meeting was to:

- Identify current and projected initiative problems;
- Devise solutions to those problems that impeded the success of the VA VR&C and DOL/VETS Memorandum of Understanding;
- Identify “best practice” models for replication elsewhere;
- Develop a joint operations guide to be approved and used by all agencies’ staff involved in the initiative; and,
- Identify essential joint training needs.

Three distinct categories of issues emerged from the meeting:

- Clearly defined roles and responsibilities;
- Improved communication (including marketing); and
- Comprehensive tracking and reporting.

Workgroups formed to address these issues were asked to determine specific recommendations for action (what?), specific methodology for implementing recommendations (how?), identification of the specific agency (ies) and the official (s) within the agency (ies) responsible for the action (who?), and the specific action plan developed with specific timelines identified (when?). The workgroups determined that their recommendations should be formatted into an operations guide for joint agency acceptance and publication for all nationwide field staff actively involved with the VR&C process.

To ensure greater cooperation between the agencies, joint training conferences will be held to implement the guiding principles contained in the operations guide. The training will be

designed with one goal in mind -- improving customer service for Chapter 31 veterans seeking gainful employment. Seminars will be conducted in seven different locations nationwide involving as many interagency staff as possible.

Additional meetings were held throughout 1997 to refine the process of putting together an operations guide that would benefit all VETS, SESA and VA VR&C staff involved with the VR&C program who provided customer service to Chapter 31 disabled veterans.

In September 1997, the Georgia Department of Labor, with a pass through grant from VETS, agreed to retain the University of Colorado at Denver's International Training Academy (ITA) in order for ITA to develop and deliver adult professional training seminars. These training seminars were designed to provide, among other things, a basic understanding of how to effectively deliver services to Chapter 31 disabled veterans, as specified in the MOU between VA VR&C and DOL VETS. The training seminar curriculum was formally developed by ITA and approved by VETS, VA and the Georgia Department of Labor on April 1, 1998.

A final draft was submitted to the Assistant Secretary for VETS and the Director of VR&C for approval and dissemination in April, 1998. The follow-on training (two-day seminars) for the VETS/VR&C Partnership Operating Guide (for improved customer service) was conducted at six locations (Pittsburgh, Phoenix, Houston, Chicago, Orlando and Denver) from July through November 1998. The training was conducted by trainers from NVTI. Attendee guidance and oversight was spearheaded through ITA by VETS in cooperation and coordination with VA VR&C and SESAs. Four hundred thirty-eight (438) VA/VETS/SESA staff participated in the six seminars.

**VETS' VR&C Reportable Activity (1996 -- 1998):**

The number of disabled veterans entering suitable employment -- defined by VA as *a job that the VR&C case manager has determined is consistent with the veteran's interests, aptitude and abilities and does not aggravate the veteran's disability* -- has steadily increased through the combined efforts of DVOP/LVER staff and their VA VR&C counterparts. The steady increase in joint initiative processes leading to successful outcomes -- suitable employments -- is reflected in Table 1 below.

**Table 1**

**FY 96      FY 97      FY 98**

<u>Job Ready*</u> VR&C Participants Referred from VR&C and Registered with a Local Employment Service Office	5631	8452	6707
Entered Employment	1863	3693	4282
<b>Entered Suitable Employment</b>	<b>1343</b>	<b>3411</b>	<b>3799</b>

Rehabilitated (remain on job 60 days)	923	2527	3942
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\*Note: refers to participants who are determined to be ready, willing and able to participate in job development activities, but may in fact have issues or barriers to actually being employed; very limited transportation, child care needs, etc.

The entered employment rates for disabled veterans who were registered as job ready and entered employment through the efforts of DVOP/LVER staff are shown in table 2.

Table 2	FY 96	FY 97	FY 98
Entered Employment Rate	33%	44%	64%

The suitable employment rates for disabled veterans who were registered as job ready and entered suitable employment through the efforts of DVOP/LVER staff are shown in table 3.

Table 3	FY 96	FY 97	FY 98
Suitable Employment Rates	72%	92%	89%

Despite this continued improvement, however, we must and will continue to do better. We understand that the success we have attained has not, geographically speaking, been across the board. There are certain areas in the country, for whatever reason(s), that are contributing less than their fair share to the nationwide success. To meet the VETS' strategic plan objective of increasing by 2% per year (1997 - 2000), the number of Chapter 31 rehabilitants who enter employment, it will be necessary to increase the level of interagency cooperation and coordination at all locations in order to maximize the services provided on behalf of disabled veterans.

Key issues that have been addressed throughout VETS' partnership with VA VR&C and have been included as significant teaching points during the six nationwide interagency VETS/VR&C Partnership Operating Guide follow-on training seminars are:

- Interagency Cooperation and Coordination at both the National and Local Levels;
- Common Responsibilities and Accountability
- Common Terminology
- Oversight as a Key to Success
- Tracking Clients Throughout the VR&C Process, and
- Accurate Reporting of VR&C Activity Data.

**Current Activities at the National level**

- Development of an Internal Technical Assistance Guide for use by RAVETs and DVETs as an oversight tool to assess the health of their individual VR&C initiative programs. The

concept of this document may well be adopted by VA VR&C Central office and VETS' National office staffs for joint use when doing select site visits.

- Various joint proposals for additional means to provide the Operations Guide training concepts and material to those new field staff and those who were unable to attend the formal seminars.
- Continued refinement and coordination of the VETS' VR&C quarterly activity report with VA VR&C and VA, VETS' and SESA field staff through inclusion in the VETS' Operations and Programs Activity Report (VOPAR), program briefings and official correspondence.

**Summary of Response to Recommendations:**

The Report recommendations are directed at the Secretary of Veterans Affairs and the Department of Veterans Affairs, rather than at DOL. Since VETS is an integral link and partner with VA in the successful attainment of our joint goal to secure long-term suitable employment for disabled veterans, VETS will work with VA to continue to improve this important program.

## COMMISSION REPORT SECTION III HEALTHCARE

### ISSUE III.H DELIVER COST-EFFECTIVE SERVICES TO HOMELESS VETERANS

#### BACKGROUND

The Homeless Veterans Reintegration Project (HVRP) was authorized under Section 738 of the Stewart B. McKinney Homeless Assistance Act in July 1987 (42 USC 11448). The program is administered by the U.S. Department of Labor, Veterans' Employment and Training Service (VETS). Funds are awarded competitively to state, local government, Private Industry Councils/Workforce Investment Boards, and non-profit organizations. The purpose of the program is to "expedite the reintegration of homeless veterans into the labor force." Grants provide an array of services toward that end, directly and through linkages in the local community. Supportive services such as clothing, shelter, referral to medical or substance abuse treatment, and transportation assistance are provided to meet the needs of this target group. As the program is employment focused, the veterans also receive the employment and training services they need to reenter the labor market. Job counseling, resume preparation, job development and placement are among the services that may be provided. To eliminate gaps or duplication in services and enhance provision of assistance to participants, VETS requires program operators to coordinate with veterans' services programs and organizations such as the Department of Housing and Urban Development and the Department of Veterans Affairs to provide a "continuum of care" approach to respond to homelessness.

The HVRP program was re-authorized through FY 1999 via Public Laws 105-41 and 105-114. VETS received an appropriation of \$3 million for FY 1998 and FY 1999. The President has asked for \$5,000,000 in FY 2000.

VETS announced two separate grant competitions during FY 1998. The first solicitation announced was targeted to 75 U.S. cities with the largest population and where the need was the greatest. The second was open to rural areas to determine what works best in such locales. VETS awarded a total of twenty-three (23) grants for both competitions on April 1, 1998 through March 31, 1999 with amounts ranging from \$60,000 to \$125,000.

The current success of the HVRP program is tied to the coordination between the Disabled Veterans' Outreach Program (DVOP) Specialists and Local Veterans' Employment Representatives (LVERs) assigned to the State Employment Security/Job Service Agencies (SESAs). VETS requires that projects utilize the DVOP Specialist in their jurisdiction to strengthen the provision of comprehensive services provided through a case management approach. DVOPs/LVERs are also out-stationed at homeless shelters to assist in providing services to those veterans with significant barriers to employment while coordinating job development and placement activities for those veterans who are job ready. The out-stationed staff generally brings a network of resources (i.e., access to labor market information, referrals to

treatment and rehabilitative services) to help serve the homeless veterans that contribute to the success of this program.

### **RECOMMENDATION**

Re-authorize DOL's HVRP program beyond FY 1999, and appropriate funding at the \$10 million level.

### **RESPONSE**

As stated above, the President has asked for \$5 million in FY 2000.